

SENATE BILL 2480

By Lundberg

AN ACT to amend Tennessee Code Annotated, Title 4;
Title 65 and Title 67, Chapter 6, to enact the
"Tennessee Broadband Investment Maximization
Act of 2022."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1.

(a) This act is known and may be cited as the "Tennessee Broadband
Investment Maximization Act of 2022."

(b) It is the intent of the general assembly to maximize the impact of the historic
public and private sector investments in broadband anticipated to be made in this state
during the next five (5) years.

SECTION 2. Tennessee Code Annotated, Section 65-25-134(a)(2), is amended by
deleting the subdivision and substituting instead the following:

(2)

(A) Acting through its board of directors, a cooperative may acquire,
construct, own, improve, operate, lease, maintain, sell, mortgage, pledge, or
otherwise dispose of a system, plant, or equipment for the provision of
broadband internet access, internet protocol-based video, video programming, or
related or similar services, or another like system, plant, or equipment within or
outside of the service area of the cooperative in compliance with chapters 4 and
5 of this title and all other applicable state and federal laws, rules, and
regulations, including, but not limited to, the requirement to obtain a franchise as
set forth in § 7-59-304.

(B) Notwithstanding § 65-4-101(6)(A)(vi) or another law to the contrary, if a cooperative provides a service authorized by this subdivision (a)(2), then the cooperative:

(i) Shall furnish the service on an area-coverage basis within the cooperative's service area and make the service available outside of the cooperative's service area to at least as many residential locations as business locations in the area outside of the cooperative's electric service footprint;

(ii) Is subject to regulation by the Tennessee public utility commission in the same manner and to the same extent as other providers of broadband internet access, internet protocol-based video, video programming, or related or similar services, including, but not limited to, rules or orders governing anti-competitive practices; and

(iii) Is considered as, and has the duties of, a public utility, as defined in § 65-4-101, but only to the extent necessary to effect the regulation of the cooperative with respect to the cooperative's provision of services authorized by this subdivision (a)(2).

(C) Prior to providing a service authorized by this subdivision (a)(2) outside of the service area of the cooperative's electric system, the cooperative shall:

(i) Obtain the written consent of each municipal electric system or electric cooperative system in whose service area the cooperative will provide the service; and

(ii) Provide notice to the department of economic and community development that the cooperative shall not receive from municipal electric

systems and electric cooperative systems rates, terms, or conditions for accessing the systems' electric poles that are more favorable than those made available to all other providers of broadband services by the systems.

SECTION 3. Tennessee Code Annotated, Section 65-25-134(e), is amended by deleting the subsection.

SECTION 4. Tennessee Code Annotated, Section 65-25-133, is amended by deleting the section.

SECTION 5. Tennessee Code Annotated, Title 67, Chapter 6, Part 3, is amended by adding the following as a new section:

67-6-350. Tennessee broadband equipment and services moratorium.

(a) Beginning January 1, 2023, through December 31, 2028, there is exempt from the sales and use tax imposed by this chapter purchases and leases of all equipment, machinery, software, ancillary components, appurtenances, accessories, or other infrastructure that is used in whole or in part in producing broadband communications services, including broadcasting, distributing, sending, receiving, storing, transmitting, retransmitting, amplifying, switching, providing connectivity for, or routing communications services or to provide internet access, including the monitoring, testing, maintaining, enabling, or facilitating of such equipment, machinery, software, or other infrastructure. Such equipment includes, but is not limited to, wires, cables, fiber, conduit, antennas, poles, switches, routers, amplifiers, rectifiers, repeaters, receivers, multiplexers, duplexers, transmitters, circuit cards, insulating and protective materials and cases, power equipment, backup power equipment, diagnostic equipment, storage devices, modems, and other general central office or headend equipment, such as channel cards, frames, and cabinets, or equipment used in successor technologies.

(b) For purposes of this section:

(1) "Broadband communications services" means:

- (A) Telecommunications services;
- (B) Mobile telecommunications services;
- (C) Video programming services; and
- (D) Direct-to-home satellite television programming services; and

(2) "Internet access":

(A) Means a service that enables users to connect to the internet to access content, information, or other services offered over the internet;

(B) Includes:

(i) The purchase, use, or sale of telecommunications by a provider of internet access to the extent the telecommunications are purchased, used, or sold:

(a) To provide the internet access service; or

(b) To otherwise enable users to access content, information, or other services offered over the internet;

(ii) Services that are incidental to the provision of internet access when furnished to users as part of the internet access service, such as a home page, email and instant messaging, to include voice- and video-capable email and instant messaging, video clips, and personal electronic storage capacity; and

(iii) A homepage, email and instant messaging, to include voice- and video-capable email and instant messaging, video clips, and personal electronic storage capacity, that are provided independently or packaged with internet access; and

(C) Does not include voice, audio, or video programming, or other products and services that utilize internet protocol or any successor protocol and for which there is a charge, regardless of whether the charge is separately stated or aggregated with the charge for services for internet access.

SECTION 6. The headings in this act are for reference purposes only and do not constitute a part of the law enacted by this act. However, the Tennessee Code Commission is requested to include the headings in any compilation or publication containing this act.

SECTION 7. This act takes effect upon becoming a law, the public welfare requiring it.